

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2  
LOCKPORT LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS  
December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/14/10

***Ann T. Hebert***  
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# ***Ann T. Hebert***

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To the Board  
Lafourche Parish Fire Protection District No. 2  
Lockport, Louisiana


I have compiled the accompanying financial statements of the governmental activities and the general fund of Lafourche Parish Fire Protection District No. 2, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the Lafourche Parish Fire Protection District No. 2. I have not audited or reviewed the accompanying basic financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

I am not independent with respect to Lafourche Parish Fire Protection District No. 2.

As discussed in Note 1, the District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

Respectfully submitted,

  
Ann T. Hebert  
Certified Public Accountant

March 8, 2010

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

STATEMENT OF NET ASSETS

December 31, 2009

Statement A

ASSETS

Cash and cash equivalents	\$ 602,863
Receivables	209,160
Capital assets - net of accumulated depreciation	<u>357,912</u>
Total Assets	<u>\$ 1,169,935</u>

LIABILITIES

Accounts Payable	<u>\$ 2,190</u>
Total Liabilities	<u>\$ 2,190</u>

NET ASSETS

Invested in capital assets, net of related debt	\$ 357,912
Reserved for New Fire Truck	235,191
Unreserved net assets: General fund	<u>574,642</u>
Total Net Assets	<u>\$ 1,167,745</u>

See accountant's compilation report and accompanying notes.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2009

Statement B

	<u>PROGRAM REVENUES</u>			
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>TOTAL</u>
EXPENSES:				
<i>Public Safety - fire protection:</i>				
Maintenance	\$ 26,434			\$ 26,434
Supplies & training	10,423			10,423
Utilities	10,828			10,828
Fuel	5,403			5,403
General & Administration	61,883			61,883
Depreciation	46,122			46,122
Other	6,376			6,376
<i>Total governmental activities</i>	<u>\$ 167,469</u>			<u>\$ 167,469</u>
GENERAL REVENUES:				
Ad valorem taxes				\$ 208,459
Intergovernmental revenues:				
State revenue sharing				10,218
State fire insurance rebate				30,810
Interest				2,948
Other				9,491
Total general revenues				<u>261,926</u>
Changes in net assets				94,457
Net assets:				
Beginning of the year				<u>1,073,288</u>
End of the year				<u>\$ 1,167,745</u>

See accountant's compilation report and accompanying notes.

*FUND FINANCIAL STATEMENTS*

## LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

BALANCE SHEET -  
GOVERNMENTAL FUND  
December 31, 2009

Statement C

	<u>Governmental Fund types</u>
ASSETS	
Cash	\$ 602,863
Receivables -	
Ad valorem tax	198,942
Louisiana Revenue sharing	<u>10,218</u>
Total assets	<u>\$ 812,023</u>
LIABILITIES	
Accounts payable	<u>\$ 2,190</u>
FUND EQUITY	
Fund balance -	
Reserved for New Fire Truck	235,191
Unreserved	<u>574,642</u>
Total fund equity	<u>809,833</u>
Total liabilities and fund equity	<u>\$ 812,023</u>

See accountant's compilation report and accompanying notes.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 2  
RECONCILIATION OF THE GOVERNMENT FUND BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
December 31, 2009

Statement D

Total fund balance - governmental fund (Statement C)		\$ 809,833
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The purchase of capital assets are reported as expenditures as they are incurred in the governmental fund. The Statement of Net Assets reports capital assets as an asset to the District. These capital assets are depreciated over their estimated useful lives in the Statement of Activities and are not reported in the governmental fund.

Cost of capital assets	\$ 941,905	
Less: Accumulated depreciation	<u>(583,993)</u>	
		<u>357,912</u>

Net Assets (Statement A)		<u>\$ 1,167,745</u>
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See accountant's compilation report and accompanying notes.



LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 2  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUND  
For the year ended December 31, 2009

Statement E

Revenues:	
Taxes - ad valorem	\$ 208,459
Intergovernmental -	
State of Louisiana:	
Revenue sharing	10,218
Insurance rebate	30,810
Use of money and property	
Interest earned	2,948
Other income	<u>9,491</u>
Total revenue	<u>261,926</u>
Expenditures:	
General government -	
Intergovernmental	
Ad valorem tax deductions	6,376
Public safety -	
Operating services	99,512
Material and supplies	15,459
Capital outlay	<u>13,606</u>
Total public safety	<u>128,577</u>
Total expenditures	134,953
Excess (deficit) revenues over expenditures	<u>126,973</u>
Fund balance, beginning	682,860
Fund balance, ending	<u><u>\$ 809,833</u></u>

See accountant's compilation report and accompanying notes.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 2  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
December 31, 2009

Statement F

Net change in fund balance - total governmental fund (Statement E)	\$ 126,973
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Amounts reported for governmental activities in the statement  
of activities (Statement B) are different as follows:

Government fund reports capital outlays as expenditures.

However, in the statement of activities, the cost of those assets  
are allocated over the estimated useful lives as depreciation  
expense. This is the amount of capital outlay (13,606)  
was less than depreciation (46,122) during the year.

(32,516)

Change in net assets of governmental activities (Statement B)

\$ 94,457

See accountant's compilation report and accompanying notes.

LAFOURCHE PARISH RECREATION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In June, 1999, the GASB unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. One of the more significant changes in Statement No. 34 include for the first time a Management's Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations and financial statements prepared using full accrual accounting for all of the District's activities. The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. However, other changes are reflected in the accompanying basic financial statements (including notes to financial statements). The District implemented the general provisions of Statement No. 34 for the year ended December 31, 2002.

The accounting and reporting policies of the Lafourche Parish Fire Protection District No. 2 (the District) conform to generally accepted accounting principles as applicable to governments.

The following is a summary of certain significant accounting policies:

a. REPORTING ENTITY:

The District is a component unit of the Lafourche Parish Council.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b. GOVERNMENT - WIDE ACCOUNTING

In accordance with Government Accounting Standards Board Statement No. 34, the District has presented a Statement of Net Assets and Statement of Activities for the District as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-Wide Accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity. The Statement of Net Assets and Statement of Activities are reported on the accrual basis of accounting.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

LAFOURCHE PARISH RECREATION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

b. GOVERNMENT - WIDE ACCOUNTING - Continued

Eliminating Internal Activity

Interfund receivables and payables are eliminated in the Statement of Net Assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances.

Application of FASB Statements and Interpretations.

Reporting on governmental-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Assets used in operations with an initial useful life that extends beyond one year are capitalized. Equipment, furniture and fixtures, leasehold improvements, and buildings are depreciated over their estimated useful lives. Depreciation is not calculated on land, land improvements or construction in progress. Accumulated depreciation is recorded at net of depreciable assets in the Statement of Net Assets.

Program Revenues

The Statement of Activities present two categories of program revenues - (1) charges for services and (2) operating grants and contributions.

Charges for services - are revenues from exchanges or exchange like transactions with external parties that purchase, use or directly benefit from the program's goods, services, or privileges. These revenues include fees charged for specific services, licenses and permits, and operating special assessment, and include payments from exchange transactions with other governments.

Operating grants and contributions - are resources that are restricted for operating purposes of a program. They include grants and contributions with restriction that permit the resources to be used for a program operating of capital needs at the recipient government's discretion. If multipurpose contributions and grants that provide financing for more than one program are specifically identified, they are included as program revenues.

c. Fund Accounting

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity using the modified accrual method to report revenues and expenditures with a self-balancing set of accounts.

LAFOURCHE PARISH RECREATION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

c. Fund Accounting - Continued

Governmental Funds

Funds of the District are classified as governmental funds. Governmental funds account for District's general activities, including the collection and disbursement of specific or legally restricted monies. Governmental Funds of the District includes:

General Fund - The General fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Debt Service Fund - Debt service fund is used to account for the accumulation of resources and the payment of general long-term principal, interest and related costs.

d. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

The accounting and financial reporting treatment applied to a fund is determined by its measurable focus. The governmental funds are accounted for using a current financial resources measurement focus and a modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when they are measurable and available. Measurable means the amount of the transaction can be determined and available means collectible when the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on long-term debt which is recognized when due. Compensated absences and claims and judgments are reported in the governmental fund only if the claims are due and payable.

LAFOURCHE PARISH RECREATION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

d. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Fund Financial Statements (FFS)

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures.

e. BASIS OF ACCOUNTING

Revenues and deferred revenues

Ad valorem taxes are recorded on the modified accrual basis and, therefore, recorded when they are both measurable and available. The calendar for 2009 ad valorem tax roll was as follows:

	Service charges
	<u>Ad valorem taxes</u>
Levy date	December 31, 2009
Due date	December 31, 2009
Lien date	January 1, 2010

State revenue sharing revenues and the 2% fire insurance tax protection rebate are recorded when the District is entitled to the funds.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the District.

LAFOURCHE PARISH RECREATION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

e. BASIS OF ACCOUNTING - Continued

Other financing Sources (Uses)

*Proceeds from the sale of fixed assets and debt acquired for the construction and purchase of fixed assets (capital project fund) are accounted for as other financing sources and are recognized when received. Fixed assets acquired through capital leases are recorded as expenditures and other financing sources at the time of acquisition.*

f. BUDGET PRACTICES

The District's procedures in establishing the budgetary data for the financials statements required by the Louisiana Revised Statues 39:1303 are as follows:

- A proposed budget is submitted by the Chief Executive Officer to the Board no later than fifteen days prior to the beginning of each year.
- After completion of all action necessary to finalize and implement the budget, the budget is adopted by the Board and recorded in the minutes of the District. The board, as allowed by state law, does not obtain public participation in the budget process.
- Budget amendments require the approval of the Board.
- All budgetary appropriations lapse at the end of each year.
- A budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles(GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board.

g. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits that mature within 90 days after year end and other investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or under the laws of the United States.

Under state law, the Districts may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents.

LAFOURCHE PARISH RECREATION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

h. CAPITAL ASSETS

Capital assets are recorded at historical cost and depreciated over their estimated useful lives.

Estimated useful life is management's estimate of how long the asset is estimated to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Building	40 years
Furniture	5 - 7 years
Equipment	5 - 10 years
Vehicles	5 years

i. VACATION AND SICK LEAVE

The District has no full-time employees. There is no accumulated unpaid vacation at December 31, 2009.

The District does not have a sick leave policy.

NOTE 2 - PROPERTY TAXES

Property taxes are levied each December 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission as percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for collections during the year ended December 31, 2009 was 5.24 mills on property within Fire Protection District No. 2 for the purpose of fire protection within the District and payment of respective debt.

NOTE 3 - RECEIVABLES

Receivables as of December 31, 2009 are as follows:

Due from Sheriff (Collections during December, 2009 not yet remitted)	\$ 125,334
Ad valorem taxes	\$ 73,608
Louisiana State Revenue Sharing	\$ 10,218
	<u>\$ 209,160</u>



LAFOURCHE PARISH RECREATION DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 4 - CAPITAL ASSETS

A summary of changes in capital assets and accumulated depreciation for the period are as follows:

	Balance January 1, 2009	Additions (Deletions) 2009	Balance December 31, 2009
Trucks	\$ 733,733	\$ -	\$ 733,733
Equipment	165,766	13,606	179,372
Buildings	26,200	-	26,200
Non-depreciable	2,600	-	2,600
Total	<u>\$ 928,299</u>	<u>\$ 13,606</u>	<u>\$ 941,905</u>
Accumulated Depreciation	<u>\$ 537,871</u>	<u>\$ 46,122</u>	<u>\$ 583,993</u>

NOTE 5 - COMPENSATION OF BOARD MEMBERS

The District did not pay per diem to any of its Board Members during the year ended December 31, 2009.

NOTE 6 - CONCENTRATION OF CREDIT RISKS

At December 31, 2009, the District has cash (book balances) as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Checking accounts		
Deposits secured by:		
Federal deposit insurance	<u>\$ 181,883</u>	<u>\$ 183,128</u>

Collateralized deposits - At year end, there was enough FDIC insurance to secure the book balance and the bank balance. The bank balance indicated above is considered as Category 1 deposits. During the year if the bank balance exceeds the FDIC insurance amount, the District's banking institution will pledge FHLMC securities with a market value in excess of the collateralized deposits needed to secure any remaining balances.

	<u>Carrying Amount</u>	<u>Account Value</u>
Deposits in a pool management by Louisiana Asset Management Pool	<u>\$ 420,980</u>	<u>\$ 420,980</u>
Total bank deposits and equivalents in financial institutes	<u>\$ 602,863</u>	

**OTHER SUPPLEMENTAL INFORMATION AND REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

The following pages contain a budget comparison schedule and other reports.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

BUDGET COMPARISON SCHEDULE  
GENERAL FUND  
For the Year ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance - with Final Budget Positive (Negative)
Revenues:				
Taxes - ad valorem	\$ 130,000	\$ 200,000	\$ 208,459	\$ 8,459
Intergovernmental - State of Louisiana:				
Revenue sharing	10,000	10,271	10,218	(53)
Insurance rebate	30,000	30,949	30,810	(139)
Use of money and property				
Interest earned	6,300	2,770	2,948	178
Other income	-	9,351	9,491	140
	<u>176,300</u>	<u>253,341</u>	<u>261,926</u>	<u>8,585</u>
Total revenues				
Expenditures:				
General government - Intergovernmental				
Ad valorem tax deductions	4,500	6,360	6,376	(16)
Public safety -				
Operating services	88,450	101,475	99,512	1,963
Material and supplies	12,200	16,400	15,459	941
Capital outlay	70,000	13,606	13,606	-
	<u>170,650</u>	<u>131,481</u>	<u>128,577</u>	<u>2,904</u>
Total public safety				
Total expenditures	<u>175,150</u>	<u>137,841</u>	<u>134,953</u>	<u>2,888</u>
Excess (deficit) revenues over expenditures	<u>1,150</u>	<u>115,500</u>	<u>126,973</u>	<u>11,473</u>
Fund balance, beginning	<u>682,860</u>	<u>682,860</u>	<u>682,860</u>	<u>-</u>
Fund balance, ending	<u>\$ 684,010</u>	<u>\$ 798,360</u>	<u>\$ 809,833</u>	<u>\$ 11,473</u>

See accountant's compilation report and accompanying notes

## OTHER REPORTS

# ***Ann T. Hebert***

Certified Public Accountant  
901 Ridgefield Road  
Thibodaux, LA 70301

(985) 446-0994

## LETTER OF FINDINGS

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2  
For the Current Year Ended December 31, 2009

March 8, 2010

No current year findings.

No prior year findings.